REMARKS

In the last Office Action,¹ the Examiner rejected claims 1-3, 7-15, and 17-20 under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,715,403 to <u>Stefik</u> ("<u>Stefik</u>").

By this amendment, Applicant has canceled claims 10 and 18, without prejudice or disclaimer, and requests amendment of claims 1, 11, and 14. Claims 1-3, 7-9, 11-15, and 17, 19, and 20 are currently pending. Of these, claims 1, 11, and 14 are independent.

Applicant submits that the grounds for the rejection of claims 10 and 18 under 35 U.S.C. § 102(b) are rendered moot by the proposed cancellation of these claims.

In addition, Applicant respectfully traverses the rejection of claims 1-3, 7-9, 11-15, 17, 19, and 20 under 35 U.S.C. § 102(b) for at least the reason that <u>Stefik</u> fails to disclose every claim element. For example, amended claim 1 recites, among other things: "a re-writable memory section for recording information regarding *patent rights*."

Stefik discloses a system for controlling use and distribution of digital works by allowing the owner of a *digital work* to attach *usage rights* to their work. See Stefik, Abstract. Usage rights, as defined by Stefik, are "a language for defining the manner in which a digital work may be used or distributed, as well as any conditions on which use or distribution is premised." See Stefik, col. 52, lines 4-7. For example, printing or copying a digital work corresponds to a specific usage right. See Stefik, col. 7,

¹ The Office Action contains statements reflecting characterizations of the related art and the claims. Regardless of whether any such statement is identified herein, Applicant declines to automatically subscribe to any statement or characterization in the Office Action.

lines 30-35. Stefik defines digital works as "any encapsulated digital information. Such information may represent music, a magazine or book, or a multimedia composition."

See Stefik, col. 51, lines 7-10. Therefore, usage rights, as contemplated by Stefik, are rights associated with protecting digital works, such as music or multimedia compositions, from being copied and therefore cannot constitute "patent rights," as claimed.

Independent claims 14 and 19, although of different scope, each recites elements similar to those of claim 1 discussed above. Therefore, claims 14 and 19 are not anticipated by <u>Stefik</u> for at least reasons discussed above with respect to claim 1. In addition, claims 2-3, 7-9, 11-13, 15, 17, and 20 depend from and add additional features to independent claims 1, 14, and 19. Accordingly, these claims are allowable at least by virtue of their dependence on allowable claims 1, 14, and 19.

Conclusion

Applicant respectfully requests that this Amendment under 37 C.F.R. § 1.116 be entered by the Examiner, placing claims 1-3, 7-9, 11-15, 17, 19, and 20 in condition for allowance. Applicant submits that the proposed amendments of claims 1, 11, and 14 do not raise new issues or necessitate the undertaking of any additional search of the art by the Examiner, since all of the elements and their relationships claimed were either earlier claimed or inherent in the claims as examined. Therefore, this Amendment should allow for immediate action by the Examiner.

Furthermore, Applicant respectfully points out that the final action by the Examiner presented some new arguments as to the application of the art against

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Applicant's invention. It is respectfully submitted that entry of the Amendment would allow the Applicant to reply to the final rejections and place the application in condition for allowance.

Finally, Applicant submits that entry of the Amendment would place the application in better form for appeal should the Examiner dispute the patentability of the pending claims.

In view of the foregoing remarks, Applicant submits that this claimed invention, as amended, is neither anticipated nor rendered obvious in view of the prior art references cited against this application. Applicant therefore requests entry of this Amendment, the Examiner's reconsideration and reexamination of the application, and timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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